


YOU CAN'T CAP WHAT YOU CAN'T CONTROL.



Recommendations of the Mayoral Task Force on Mandate and Property Tax Relief

December 2010

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New York State Conference of Mayors and Municipal Officials

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December 2010

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Peter A. Baynes

Dear Fellow New Yorker:

Local governments throughout our state are facing an imminent crisis that has been years in the making. Decades of arbitrary state mandates have accumulated to trump local control and fiscal logic. These mandates are insatiable in their appetite for property taxes and, if left unchecked, threaten the sustainability of our local governments, communities and state. But in every crisis there is opportunity.

The message of NYCOM's Mayoral Task Force on Mandate and Property Tax Relief can be summed up by the simple truth that "you can't cap what you can't control." In other words, a property tax cap will certainly fail if it is not preceded by significant mandate relief, exclusions for those costs (i.e., pensions and health insurance) that will continue to rise rapidly even after enactment of mandate relief, and maintenance of an equitable state revenue sharing program.

There is no doubt that the road to recovery will be long and will require shared sacrifice from all. We must be willing to endure some pain now to prevent the need for even greater pain in the future. "The journey of a thousand miles begins with a single step," and the time to take that all important step is clearly upon us.

I am proud of what this Task Force has accomplished during the last several months and thank each and every member for their knowledge, insight and commitment to our mission. I also want to thank Peter Baynes, NYCOM Executive Director, for his steadfast leadership and guidance throughout this process.

I look forward to working with my colleagues from across the state, our elected state representatives, and the incoming Administration to implement these recommendations with the single goal of achieving a better and more affordable New York.

Mayor Sam Teresi

City of Jamestown

NYCOM President, Task Force Chair

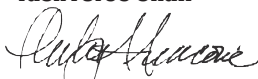
NYCOM's Mayoral Task Force on Mandate and Property Tax Relief

On September 17, 2010, NYCOM President Sam Teresi, Mayor of the City of Jamestown, appointed mayors from across the state to join him on NYCOM's Mayoral Task Force on Mandate and Property Tax Relief. Working with the NYCOM Executive Committee, the Task Force was charged with developing a significant set of mandate relief proposals that must be adopted by the State Legislature prior to considering any form of property tax cap. These recommendations would focus on those state mandates that are the key culprits in obstructing local officials' efforts to control spending and property taxes. The Task Force was also asked to identify those rapidly rising costs – the growth of which is beyond local control – that must be excluded from a property tax cap. The Task Force will work with the NYCOM Executive Committee and full membership throughout 2011 to pursue enactment of the mandate reforms necessary to truly achieve property tax relief.

Members



Mayor Sam Teresi, Jamestown
Task Force Chair



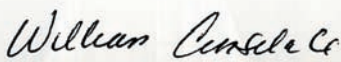
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Mayor James Brown, Rome



Mayor William Cansdale, Jr., Lancaster



Mayor Richard Donovan, Minoa



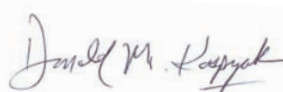
Mayor Mary Foster, Peekskill



Mayor Shawn Hogan, Hornell



Mayor Gerald Jennings, Albany



Mayor Donald Kasprzak, Plattsburgh



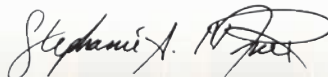
Mayor John McDonald, Cohoes



Mayor Richard Miller, Oneonta



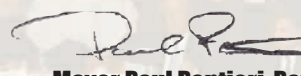
Mayor Richard Milne, Honeoye Falls



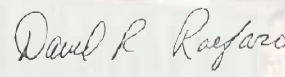
Mayor Stephanie Miner, Syracuse



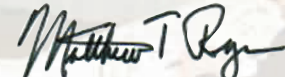
Mayor Barbara Moore, Greenwood Lake



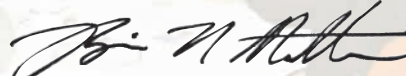
Mayor Paul Pontieri, Patchogue



Mayor David Roefaro, Utica



Mayor Matthew Ryan, Binghamton



Mayor Brian Stratton, Schenectady



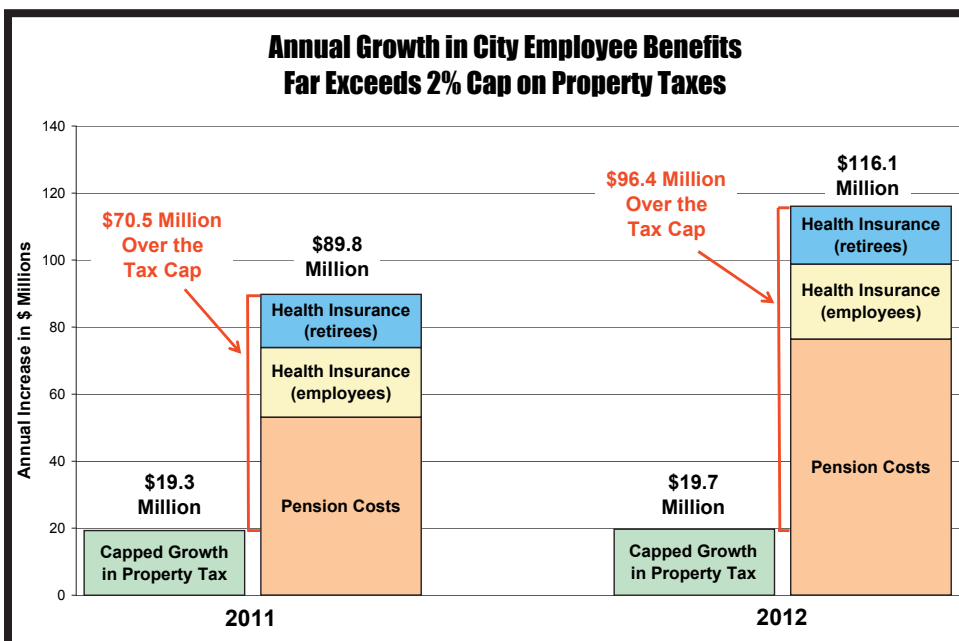
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Local governments across the state are facing unprecedented fiscal challenges. Rapidly rising expenses largely beyond a mayor's control, such as pensions and health insurance, are devouring municipal budgets and threatening the ability to provide essential services at a cost affordable to taxpayers. Additionally, local governments' already limited non-property tax revenues are stagnant or in decline, and state aid meant to provide municipal property tax relief – the AIM program – has been cut.

At the same time, there is a growing sense that a property tax cap may be the singular answer to New York's property tax woes. While it may provide political appeal in its simplicity, a property tax cap without specific exclusions (such as costs associated with health care, pensions, extraordinary capital expenditures and reductions in state aid) and relief from state mandates will result in destructive local budget deficits, decimated municipal work forces and a dangerous reduction in the essential services provided by local governments. As shown on the chart below, over the next two years city pension and health insurance costs will rise by a combined \$206 million, compared to a \$39 million increase in property tax levies allowed under a 2% property tax cap.¹

What has become readily apparent to local officials all across the state is that their residents do, in fact, want the essential services that municipalities provide, they just want them provided more cost-effectively.



What has become readily apparent to local officials all across the state is that their residents do, in fact, want the essential services that municipalities provide, they just want them provided more cost-effectively. In order to do this and truly achieve property tax relief, we must first reform the cost drivers that lead to high property taxes in New York, particularly the many mandates on local governments pertaining to collective bargaining and managing workforce costs.

Furthermore, while the emphasis on government consolidation continues to be a popular theme among public officials and the media, it is essential that the state repeal the many mandates that not only inflate the cost of municipal operations, but also act as barriers to ongoing efforts by local government officials to work cooperatively. Eliminating local governments is not the answer. Doing so decreases the connection between “local” government and its citizens, while failing to reduce the underlying causes of overly expensive government in New York. Instead, ensuring that existing local governments have the ability to effectuate the consolidation and sharing of services – and deliver all municipal services cost-effectively – is the best way to maximize efficiency and minimize property taxes.

Finally, it should be noted that many of the recommendations that follow are not new ideas, and the mandates with which they are associated have been repeatedly identified by mayors, county executives, town supervisors, and school officials as the ones most in need of reform. The state’s perennial unwillingness to address these cost drivers has clearly exacerbated the challenges facing municipalities, as the cumulative financial impacts of these legal constraints have resulted not only in excessive property tax levels, but, through the financial pressures they generate, a reduction in municipal services and the workforce necessary to deliver that which taxpayers have paid for. Consequently, with or without a property tax cap, significant, enduring fiscal relief is essential – and long overdue.

Temporary Freeze on Public Sector Wages

The current fiscal crisis facing the state and its local governments is intensified by the fact that, even while experiencing significant revenue declines and increasing costs in pensions and health insurance that are largely unavoidable, both the state and municipalities are locked into multi-year collective bargaining agreements that require unaffordable salary increases. Even if there is no contract currently in effect, step increases must still be granted due to the Triborough Amendment. Consequently, while private sector employers may avoid layoffs by freezing salaries, local government employers have no such option.

In May 2010, labor relations attorneys Terry O’Neill and Howard Miller of Bond, Schoeneck and King, issued



a legal opinion stating that a legislatively imposed public sector wage freeze would be legal under state and federal law “as long as specific legislative findings demonstrate that the scope and duration of the freeze is reasonable and necessary to protect the public.”² Furthermore, when wage freezes were imposed by control boards in Buffalo and New York City, in both instances the courts rejected the affected unions’ challenges that such action was unconstitutional or violated the Taylor Law. Legislation was introduced in the State Senate in 2010 (S.7940) which, if enacted, would declare a state of fiscal emergency and suspend all salary increases for state, municipal, and school district

... a municipality would have the ability to opt-out of the wage freeze if it demonstrated that it had negotiated an offset of equal or greater value with its unionized and non-unionized workforce.

employees for one year, including any increases for holiday, vacation pay or shift differentials.

Although the bill was never acted upon, this idea has recently received considerable attention as New York’s Governor-elect, Andrew Cuomo, and President Obama have both proposed a wage freeze

for state and federal government employees, respectively.

Given the fiscal stress the state and its local governments are currently facing, the State Legislature should declare a state of financial emergency and impose a one-year wage freeze for all state, local government and school district employees. This concept of “suspended animation” would give the state and its local governments greater ability to address the fiscal challenges they are confronting, without having to dramatically reduce their workforce or curtail essential municipal services, until the other cost saving reforms outlined below are implemented. Based on NYCOM’s survey of New York’s 61 cities outside of New York City, such a one-year freeze in compensation would yield \$44.2 million in savings. Such savings are not insignificant, as this amount equates to allowing city leaders to avoid up to a 4.6% increase in property taxes, avert layoffs of up to 400 firefighters or police officers, or pay a majority of their \$53 million increase in pension costs.³

Under this proposal, a municipality would have the ability to opt-out of the wage freeze if it demonstrated that it had negotiated an offset of equal or greater value with its unionized and non-unionized workforce (e.g., increased employee contributions for health insurance). We no longer



have the luxury to simply tinker around the edges. Instead, we need to significantly reform and restructure how local governments operate, particularly when it comes to managing their workforces.

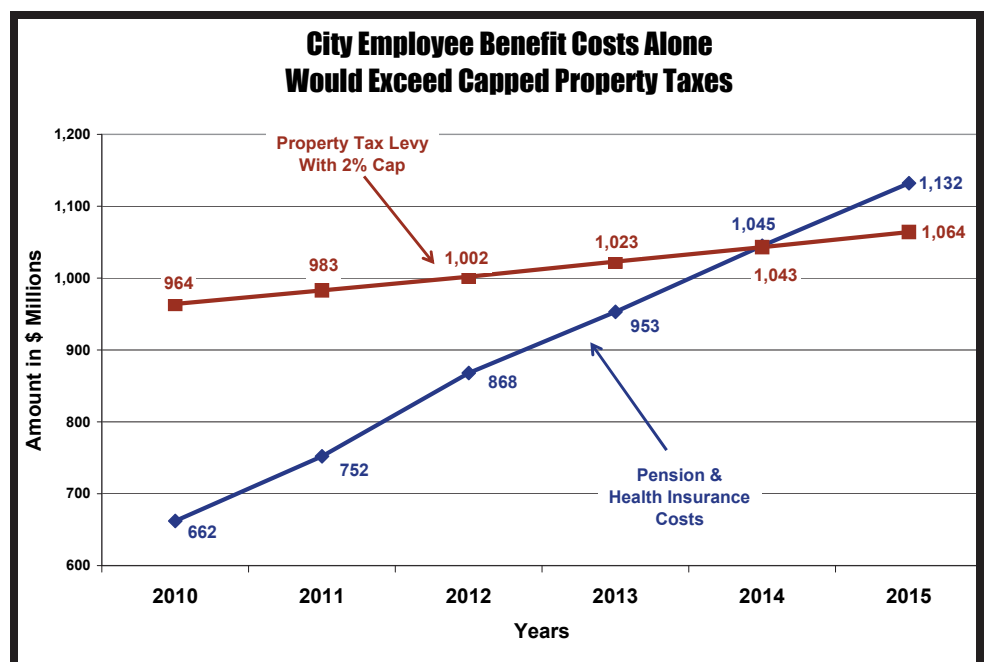
Employee Benefits

Require Local Government Employees and Retirees to Contribute to the Cost of Health Insurance

Health insurance costs are one of the largest and fastest growing components of municipal budgets. Between 2002 and 2008, health insurance expenses for cities grew by an average annual rate of 8% and now amount to a \$460 million expense for cities outside of New York City.⁴ Furthermore, retiree health insurance accounts for

... with mandates like binding arbitration and the Triborough Amendment undermining the collective bargaining process, achieving concessions on health insurance issues is extremely difficult.

\$200 million (43%) of total health insurance expense in cities, and in many instances the cost of retiree health insurance exceeds the cost of health insurance for active employees. A recent report of the Empire Center for New York State Policy estimates that the total unfunded retiree health care liability for New York's local governments and school districts (including New York City) is a staggering \$130.4 billion.⁵ The cost of health insurance is largely uncontrollable, due to the fact that it is usually subject to negotiation, and with public safety employees is subject to binding arbitration. When these massive costs are added to rapidly rising and state-defined pension costs, and placed in the context of a 2% property tax cap, the road to fiscal ruin becomes readily apparent. The adjacent chart highlights the untenable reality that employee benefits would, in a few short years, consume every single dollar of capped property taxes.⁶



While health insurance for active employees is a mandatory subject of negotiation, health insurance for retirees is not. In addition, it is rare for a private sector company to provide health insurance to an employee “free of charge” or to offer retiree health insurance at all. Despite this, the cost of local government employee and retiree health insurance is often covered entirely by the local government. Although municipal employers have come to realize that this funding structure is unsustainable, with mandates like binding arbitration and the Triborough Amendment undermining the collective bargaining process, achieving concessions on health insurance issues is extremely difficult.

The state should require a minimum employee contribution of 10% for individual coverage and 25% for family coverage, as well a 25% contribution from covered retirees. This proposal would be phased-in over a three-year period to provide individuals ample time to adjust to the change in expendable income. Not only will this initiative reduce health insurance costs for local governments, it will also change the dynamic at the collective bargaining table since both employers and employees will have a vested interest in ensuring that health benefits and premiums are reasonable and affordable.

Restructure Pension Cost-Sharing and Benefits

In recent years, the pension cost crisis has revealed the underlying imbalance between the high cost of New York’s public pension benefit structure and the limited fiscal capacity of local governments and their taxpayers. The state and its local governments operate under a defined benefit plan, where employees are guaranteed a certain level of benefits financed primarily by (1) state and local employer contributions to the retirement system and (2) the retirement system’s return on its investments. Not only is this type of system essentially unheard of in the private sector, but the average retirement benefit for all state and local government retirees in New York in 2009 was more than twice the average company or union pension benefit.⁷

Under a defined benefit system, property tax levies and taxpayers are subject to the vagaries of Wall Street. In the 1980s and 1990s when investment returns were hitting all-time highs, employer contribution rates dropped and the State Legislature enacted pension sweeteners, assuming that these trends would continue. Unfortunately, this was not the case. Over the years, as benefit outlays have increased and pension fund assets have declined, pension costs have become increasingly more difficult to sustain. In fact, villages and cities (outside NYC) experienced a tenfold



increase in pension costs between 2003 and 2005. Furthermore, they are currently facing increases ranging from 25% to 40% in pension contributions amounts for both 2011 and 2012, and the predictions for 2013 and beyond are just as ominous. For cities, total pension costs are projected to rise from \$203 million in 2010 to \$457 million in 2015. A recent report by the Empire Center of New York State Policy estimates that state and local employer contributions will more than double over the next five years, adding nearly \$4 billion to annual taxpayer costs.⁸

When combined with other mounting fiscal pressures on local governments, these exorbitant jumps in pension costs will undoubtedly lead to property tax increases and cutbacks in essential municipal services, and potentially threaten the fiscal solvency of municipalities across the state.

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To address this issue in the near-term, the state must immediately reinstate the 3% employee pension

contribution that was eliminated in 2000 for Tier 3 and Tier 4 members of the state Employees' Retirement System upon completion of 10 years of service. The state must also undertake a thorough analysis of the benefits, funding methodology and oversight structures of our public pension system. Going forward, the state must offer new hires the option of a defined contribution plan – like nearly every private business in New York – which will provide greater stability and predictability in determining local government pension costs, while shifting the risk of investment losses from the employer/taxpayer to the employee. This type of plan also facilitates worker mobility by providing for the portability of public employee pension benefits – that is, employees could take their pension earnings with them when they change jobs.

The Taylor Law

Reform Compulsory Arbitration

While the Taylor Law is a comprehensive labor relations statute that provides many important privileges for public sector employees, including the right to organize and to negotiate the terms and conditions of their employment, it has the effect of increasing government costs by placing

“When you factor in the annual increases for employee pensions, benefits, and health insurance, there are simply no resources remaining for raises, or anything else for that matter.”

*- Mayor Don Kasprzak,
City of Plattsburgh*

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key decisions concerning the salary and benefits of local public safety employees outside the control of local officials and property taxpayers. In the event an impasse is reached in negotiations with a police or firefighter union, the final step in the impasse resolution process is the use of compulsory arbitration. An arbitration panel has significant power and may issue an award which requires an increase in taxes. However, such panel is not responsible for its award, is not directly impacted by its decision, and is not accountable to taxpayers. Over the years that the compulsory arbitration law has been in existence, many bargaining units have sought to rush to arbitration and avoid substantive negotiations. This is especially true in years when resources are scarce and inflation is low because union leaders recognize that binding arbitration panels often disregard such conditions.

The compulsory arbitration statute imposes an unfunded mandate upon municipalities and therefore should be allowed to sunset in June 2013. However, until then, amendments to the statute in four areas would help mitigate the impact on municipal workforce costs:

- **Define ability to pay.** The statute has no definition of its phrase “ability to pay.” It should be amended to require that an arbitration panel accord substantial weight to “ability to pay” when making an award and the term should be defined as the ability of a public employer to pay all economic costs to be imposed on it by an arbitration award without requiring a reduction in municipal services or an increase in the level of real property taxes in existence for each year or years addressed by the award.
- **Prohibit consideration of non-compensation issues.** Other unions (e.g., county sheriffs, State Police) which are permitted to seek arbitration of a bargaining impasse are denied the right to pursue non-compensation matters before an arbitration panel. Municipalities should be entitled to the same restriction.
- **Limit access to binding arbitration.** Currently there is no limit on the number of times a police or firefighter union can seek binding arbitration. This should be changed so that once a union decides to go to binding arbitration, they will lose that ability for the next two successive collective bargaining cycles. This limitation will help to ensure that the option of going to binding arbitration is not routinely used as a way to avoid good faith negotiations.
- **Add transparency to arbitration process.** Currently, an arbitration panel deliberates and renders its decision behind closed doors. Making their proceedings subject to the Open

Meetings Law by requiring the arbitration panel to deliberate in a public forum within the municipality under arbitration and to present its decision at a meeting of the legislative body, will add a level of accountability to a process that currently lacks any degree of transparency. This much-needed transparency should ultimately be applied to all aspects of collective bargaining.

Repeal the Triborough Amendment


The 1982 Triborough Amendment to the Taylor Law prohibits a public employer from changing any provision of an expired labor agreement until a new agreement is reached. In the private sector, where collective bargaining has existed for more than 60 years under the National Labor Relations Act, no similar restriction is imposed upon employers who are parties to a labor contract. The Triborough Amendment was approved with the strong support of unions and has the effect of stagnating the bargaining process by discouraging unions from offering concessions or givebacks. The Task Force supports repeal of this amendment.

Impact of PERB Decisions

The Public Employment Relations Board (PERB) is a state agency established by the Taylor Law to administer that law. In addition to a three-member board that adjudicates and establishes public policy concerning public sector labor relations issues, the agency is comprised of attorneys for the board, administrative law judges that hear claims of improper practices, and mediators that assist public employers and employee organizations in contract negotiations. While state oversight in this arena certainly serves a purpose, the law needs to be amended to ensure that PERB does not insert itself into the local legislative process as it has in many instances through its adjudicative decisions.

Make the Decision to Transfer the Work of Unionized Employees a Non-mandatory Subject of Negotiation

Once a union has been recognized or certified to represent employees in a designated bargaining unit, the work performed by those unit members is referred to as unit work. PERB has consistently held that a decision to transfer bargaining unit work is generally a mandatory subject of negotiation, if the work has exclusively been performed by the unionized workers and the tasks to be reassigned would be substantially similar to those performed by unit employees.⁹ As a result, essentially any proposal to save money by outsourcing or consolidating



“We’re working to protect the taxpayers, critical services and our workers. This effort requires tough decisions.”

*- Mayor Matt Ryan,
City of Binghamton*

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services must be negotiated and agreed to by the union. To promote the ability of local governments to consolidate functions, the Taylor Law should be amended to provide that a decision to transfer the work of unionized employees shall be a non-mandatory subject of negotiation.

Ensure “Past Practices” are Explicitly Authorized By Employers

PERB has found many unilaterally established “past practices” to be binding on public employers, even when the practice was established without the approval of the chief executive and/or legislative body – the two parties necessary to create a binding contract. Often-times, if an employer attempts to act on its own to change the past practice, it may be subject to an improper practice charge or a grievance alleging a breach of a contractual requirement. Such determinations violate home rule, arbitrarily limit the ability of management to implement efficiency measures, and often result in higher property taxes. Consequently, all “past practices” should be explicitly authorized by the chief executive and formally approved by the legislative body.

Police and Firefighter Disability

Limit Payments Under General Municipal Law § 207-a and § 207-c


Paid firefighters and police officers are eligible for generous municipal disability benefits if an injury or illness is incurred in the “performance of duty” under § 207-a and § 207-c of the General Municipal Law (GML), respectively. In the event of an injury in the performance of duty, the individual is entitled to all necessary medical treatment and receipt of a municipal disability benefit equal to the full amount of regular salary or wages, which is exempt from state income taxes, until retirement. With respect to firefighters on § 207-a, even after retirement, they continue to receive payments equal to 100% of their salary and, additionally, any raises and longevity increases granted to active firefighters. To put the fiscal impact of these benefits into context, the average city’s total compensation cost is \$110,297 per firefighter and \$116,577 per police officer. Based on NYCOM’s survey, it is estimated that there are more than 500 firefighters currently out on § 207-a and 170 police officers out on § 207-c in the 61 cities outside of New York City.¹⁰

These sections of the GML should be amended to provide the following reasonable reforms:

- **Apply “Heightened Risk” Standard.** Under this standard, an injury incurred while performing a work duty which did not involve a hazardous activity would not be eligible for the municipal disability benefit available under GML § 207-a and § 207-c. A police officer or firefighter who might be injured while involved with a nonhazardous work duty would instead file a claim for workers’ compensation benefits.
- **Limit Length of Benefit.** These benefits should be available to an individual for no more than two years, which is comparable to a state trooper’s line of duty disability benefit. This would not only relieve some of the financial burden incurred by municipalities but it may also accelerate the process for determining when an individual is eligible for disability retirement – something that has long been criticized as taking much longer than necessary.
- **Increase State Share of Firefighter Benefit.** When a firefighter is awarded a work-related disability retirement, the firefighter receives an accidental disability retirement allowance, and is also entitled to a supplemental pension payment which is largely funded by the municipal employer. This payment continues until such individual reaches the mandatory retirement age, which literally can be decades. While the municipal share continues to grow as the salary of an active firefighter grows, the state share of this supplemental pension is capped. This “formula” needs to be amended so that the state assumes a greater share of this supplemental pension payment.
- **Prohibit Pension Credit.** An individual out on disability under GML § 207-a or § 207-c should not receive pension credit during the time which he or she is not working, nor should the municipality have to make pension contributions on behalf of that individual during that time.

Prohibit Retirement Plan Changes Once a Disability Occurs

As previously stated, the provisions of GML § 207-a and § 207-c require that, in the event a workplace injury to a paid firefighter or police officer prevents the performance of work, full wages for a firefighter must be continued until the individual reaches the mandatory retirement age established for the retirement plan in which he or she is a member. The same is true for a police officer unless the individual is granted a disability retirement before reaching the mandatory retirement age. The Retirement and Social Security Law permits an individual who has joined a special plan to move to another plan prior to retirement.



“A tax cap without exclusions and mandate relief will fail desperately. True property tax relief can only be achieved by reforming the cost drivers that lead to high property taxes in New York, including public pension costs, health insurance payments and the collective bargaining process.”

*- Peter Baynes, NYCOM
Executive Director*

Police and firefighters who have been injured on the job and who are receiving 207-a/207-c payments have withdrawn from special retirement plans in order to enroll in a plan which has a higher mandatory retirement age. The appropriate statutes should be amended to prohibit these individuals from changing retirement plans once an on-the-job disability determination has been made.

Enhance Management Flexibility Under Civil Service Law

New York's Civil Service Law places restrictions on public employers with respect to employee compensation, hiring, firing, pay scales and discipline, severely limiting an employer's ability to appropriately manage their workforce. Reforms to the system are necessary to allow thoughtful and creative management and workforce deployment that best meets the needs of the public. Specific amendments to state statute would include replacing the hiring "Rule of Three" with the "Rule of Ten," giving managers greater ability to choose the best candidate for the job, and eliminating the "first in last out" requirement, which often means that highly qualified individuals with the least amount of seniority are the first to be laid off. Additionally, under the current structure, those in managerial positions – and who therefore should be on the "management" side of the bargaining table – are often members of a union whose interests are contrary to those of management. This inherent conflict undermines the management-union balance that is essential to fair and reasonable bargaining. Reforms must be enacted to ensure that those in managerial positions cannot also be part of a unionized bargaining unit.

Reform Prevailing Wage

Labor Law § 220 mandates that, for all contracts for public works projects, the contractor must pay workers "prevailing wages" and supplements – that is, wages and benefits equivalent to those paid to laborers and workers performing the same types of work on private projects. Also, Labor Law § 230 imposes the prevailing wage mandate on contracts to provide services to municipal buildings, provided the contract is more than \$1,500. This dollar exemption dates back to 1971. In that time span, consumer prices have quadrupled.

Although the payment of prevailing wages is an obligation of



the contractor, this cost is passed through to the governmental entity since it must pay the contractor for performing the work. Consequently, the more widespread the application of prevailing wage, the higher the cost to property taxpayers and the more limited the opportunities for local contractors and companies to bid on municipal work. These statutes should be amended to exempt public works contracts of less than \$35,000 from prevailing wage obligations and to exempt building service contracts of less than \$20,000 from the coverage of the prevailing wage law. In addition, the state must stop its practice of continually expanding the type of work that is subject to prevailing wage.

Conclusion

Unlike a struggling private business, local governments faced with rapidly rising mandated costs can't simply close unprofitable operations or reduce their hours of service. Mayors can't relocate their governments to the Carolinas, outsource production overseas or declare bankruptcy and go out of business. Instead, New York's local governments have no choice but to grin and bear the avalanche of unfunded mandates and pay the price, by passing along to our residents and businesses a painful combination of service cuts and destructive property tax increases.

Ironically, local leaders have reached a point where they must ask the state to intervene – to, in essence, ask for mandates to relieve us from prior mandates. Given the severity of the fiscal distress facing local governments, this is the only way to begin to mitigate the impacts of those mandates that have been tying our hands for so long. The difference, however, is the mandates we are asking for will save money, not cost money; will preserve services, not reduce services; and will avoid property tax increases, not require property tax increases.

It is important to note that local officials have often contended that New York does, in fact, have a property tax relief program already in place. The AIM program, formerly known as revenue sharing, exists to provide state aid to all of New York's cities, villages and towns. When adequately funded, AIM has proven to be an effective mechanism for local tax relief, especially for New York's cities. While the initiatives contained in this report are essential to meaningful structural reform, a strong and growing state-local fiscal partnership is just as imperative. Once the current fiscal crisis subsides, the state must renew its commitment



to an AIM program that is predictable and based upon a formula that reflects the rising costs of providing essential municipal services.

These extraordinary times and the arrival of a new Administration offer a unique opportunity to finally change the way state and local governments do business. The micro-managing of municipal operations must cease if the Empire State is to survive and prosper. These recommendations, if enacted, would begin the long-awaited journey to a better and more affordable New York.

Endnotes

1. Property tax levy amounts were calculated using 2009 data from the NYS Office of the State Comptroller's "Overlapping Real Property Tax Rates and Levies," applying a 3% increase to bring such amounts to 2010 levels, and then applying a 2% cap in growth for 2011 and 2012. Pension amounts for 2010, pension estimates for 2011, and pension projections for 2012 were provided by the New York State and Local Retirement System. Health insurance amounts for 2010 are from NYCOM's November 2010 survey of 61 cities (excluding NYC), with conservatively assumed annual increases of 8% for 2011 and 2012.
2. "Legal Opinion: Legislature Can Freeze Employee Pay," Empire Center For New York State Policy news release, May 3, 2010; http://www.empirecenter.org/AboutUS/news_releases/2010/05/legalop050310.cfm.
3. Based on results of NYCOM's survey of 61 cities on "Fiscal Impact of Workforce Mandates," November 2010.
4. Data on health insurance costs from 2002 to 2008 was provided by the NYS Office of the State Comptroller. Data on 2010 health insurance expenditures is from NYCOM's survey on "Fiscal Impact of Workforce Mandates."
5. McMahon, E.J. "Iceberg Ahead: The Hidden Cost of Public Sector Retiree Health Benefits in New York," Empire Center for New York State Policy, September 2010, p. 1.
6. Property tax levy amounts were calculated using 2009 data from the NYS Office of the State Comptroller's "Overlapping Real Property Tax Rates and Levies," applying a 3% increase to bring such amounts to 2010 levels, and then applying a 2% cap in growth for 2011 through 2015. Pension amounts for 2010, 2011 and 2012 were provided by the New York State and Local Retirement System, and 2013 through 2015 are based on projections by the Empire Center for New York State Policy. Health insurance amounts for 2010 are from NYCOM's November 2010 survey of 61 cities (excluding NYC), with conservatively assumed annual increases of 8% for 2011 through 2015.
7. McMahon, E.J. and Barro, Josh, "New York's Exploding Pension Costs," Empire Center for New York State Policy, December 2010, p. 14.
8. McMahon, E.J. and Barro, Josh, "New York's Exploding Pension Costs," Empire Center for New York State Policy, December 2010, p. 1.
9. See Niagara Frontier Transportation Authority, 18 PERB ¶ (1985).
10. NYCOM survey of cities on "Fiscal Impact on Workforce Mandates," November 2010.





The New York State Conference of Mayors and Municipal Officials is an association of, and for, cities and villages in New York. Since 1910, NYCOM has united local government officials in an active statewide network, advocating for city and village interests to the executive, legislative and judicial branches of state government. We are a readily accessible source of practical information touching upon every area of municipal activity. NYCOM is also a leader in the ongoing training and education of local officials. From legislative advocacy to training programs to legal and technical assistance, NYCOM helps city and village officials provide essential public services in the most cost effective manner.